

# **Exhibit 306**

1                   IN THE UNITED STATES DISTRICT COURT  
2                   FOR THE NORTHERN DISTRICT OF ALABAMA  
3                   SOUTHERN DIVISION  
4

5   IN RE: BLUE CROSS BLUE SHIELD  
6   Master File No. 2:13 CV 20000 RDP  
7   ANTITRUST LITIGATION  
8   MDL NO. 2406  
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10  
11                   VIDEO DEPOSITION OF KARI HEDGES  
12       30(b)(6) Blue Cross Blue Shield Association  
13                   KIRKLAND & ELLIS  
14                   300 North LaSalle  
15                   Chicago, Illinois 60654  
16                   August 29th, 2017  
17

18                   \* \* \* CONFIDENTIAL \* \* \*  
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22   REPORTED BY:  
23       Angela Smith McGalliard,  
24       Certified Shorthand Reporter  
25       and Notary Public.

1 be discussed in today's meeting.

2 Q. Okay. What -- What is the  
3 Association's position on why Exclusive Service  
4 Areas are necessary?

5 A. So the Association believes that  
6 the Exclusive Service Areas are necessary  
7 because it helps provide a number of benefits  
8 to the healthcare industry, to subscribers and  
9 to providers; it enables Plans to focus on  
10 their exclusive service area. As a result,  
11 Blue Plans go much deeper into each of their  
12 markets if there's a motivating factor to  
13 contract with providers throughout its  
14 exclusive service area to be able to offer  
15 services to all the members within its market  
16 and to be able to provide those services to  
17 those members.

18 It encourages deep relationships  
19 with the community in those markets. And also  
20 encourages Plans to make investments in the  
21 strength of the Blue brands in those markets.  
22 As a result, we have more contracted providers  
23 on a national basis than our competitors, with  
24 ninety-six percent of hospitals and, I believe,  
25 it's ninety-two or ninety-four percent of

1 physicians contracted with Blue Cross Blue  
2 Shield Plans; we're able to offer coverage to  
3 over a hundred and five million members  
4 nationally; and we're able to provide the  
5 community resources and do a lot of community  
6 development within those markets.

7

8 We have relationships with both  
9 large institutions and small institutions in  
10 major metropolitan areas, as well as the rural  
11 ZIP codes around the country.

12 Q. Is there any other reason why the  
13 Blue Cross and Blue Shield Association believes  
14 Exclusive Service Areas are necessary, other  
15 than what you've just listed for me?

16 A. The other item that I would  
17 highlight that the Association sees as a  
18 benefit of the Exclusive Service Areas, is it  
19 encourages cooperation among the Blue Plans to  
20 be able to service national customers and  
21 encourages based on their depth of the markets  
22 that they've been able to develop.

23 Q. Is there anything else?

24 A. That's what I recall.

25 Q. Now, in the -- In testifying to